

Wilmington Shared Services Limited

Directors' report and financial statements for the year ended 30 June 2023

Company Registration Number: 08314442

Wilmington Shared Services Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 30 June 2023



Wilmington Shared Services Limited

Directors' report and financial statements for the year ended 30 June 2023

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Wilmington Shared Services Limited

COMPANY INFORMATION

for the year ended 30 June 2023

DIRECTORS

M Milner

G Millward

COMPANY SECRETARY

S Tahir (resigned 31 July 2022)

COMPANY NUMBER

08314442

REGISTERED OFFICE

5th Floor

10 Whitechapel High Street

London

E1 8QS

INDEPENDENT AUDITORS

Grant Thornton UK LLP

30 Finsbury Square

London

EC2A 1AG

BUSINESS ADDRESS

5th Floor

10 Whitechapel High Street

London

E1 8QS

BANKING AGENT

Barclays Bank plc

1 Churchill Place

London

E14 5HP

SOLICITOR

Osborne Clarke

One London Wall

London

EC2Y 5EB

Wilmington Shared Services Limited is a private company limited by shares.

Wilmington Shared Services Limited

DIRECTORS' REPORT

for the year ended 30 June 2023

The directors submit their report and the audited financial statements of Wilmington Shared Services Limited for the year ended 30 June 2023.

The Directors' report has been prepared in accordance with the special provisions applicable to the small companies' exemptions under section 415A and 382 (3) of the Companies Act 2006. The Company has taken advantage of the exemption available to it under section 414B of the Companies Act 2006 to not prepare a strategic report.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Company is to provide central back office services to the Wilmington plc group. The directors expect the Company's activities to continue for the foreseeable future.

The loss before taxation for year ended 30 June 2023 was £6,658,070 (2022: £5,551,572). Total net liabilities as at 30 June 2023 were £18,794,965 (2022: £12,087,703). The loss in the year was caused by the waiving of 0% interest intercompany loans with fellow group companies which were liquidated in the year of £5,224,290.

DIVIDENDS

The Company did not pay a dividend in the year (2022: £nil).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated were:

M Milner

G Millward

GOING CONCERN

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

The Company has a cash in hand balance of £10,717,174. Although the Company is in a net liabilities position the ultimate parent company, Wilmington plc, has stated its intention to provide financial support as necessary. The Company owes £45,332,315 (2022: £30,826,944) to other entities in the group. There is no current intention to recall the amounts due within 12 months from the date of signing the financial statements.

For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision was in place for directors throughout the year and at the date of the approval of the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Wilmington Shared Services Limited

DIRECTORS' REPORT

for the year ended 30 June 2023

The directors are responsible for preparing the report in accordance with applicable law and regulations. The directors consider the report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

To the best of our knowledge the Company's financial statements, prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

INDEPENDENT AUDITORS

Grant Thornton UK LLP have indicated their willingness to remain in office. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Grant Thornton UK LLP will therefore continue in office.

On behalf of the board



G Millward
Director
27 March 2024

Wilmington Shared Services Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the profit or loss of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Guy Millward

G Millward
Director
27/3/2024



Independent Auditor's Report to the Members of Wilmington Shared Services Limited

Opinion

We have audited the financial statements of Wilmington Shared Services Limited (the 'company') for the year ended 30 June 2023, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as future inflation and impacts of a possible future recession, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent Auditor's Report to the Members of Wilmington Shared Services Limited

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the Members of Wilmington Shared Services Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks, including FRS 101 'Reduced Disclosure Framework', the relevant tax legislation, and Companies Act 2006;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those charged with governance;
- We also enquired of management and those charged with governance concerning the company's policies and procedures relating to the identification, evaluation, detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud. We enquired as to whether they had any knowledge of actual, suspected or alleged fraud;
- We evaluated the design and implementation of controls over the financial reporting systems and the effectiveness of the control environment as part of our risk assessment.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.
- Audit procedures performed by the engagement team included:
 - identifying and assessing the design and implementation of controls management utilises to prevent and detect fraud;
 - challenging key assumptions used and judgements made by management in relation to significant accounting estimates;
 - using data interrogation software to identify and test large or unusual journal entries which may carry a higher risk of fraud;
 - assessing the extent of compliance with the relevant laws and regulations as part of our audit procedures on the related financial statement item; and
 - performing audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



Independent Auditor's Report to the Members of Wilmington Shared Services Limited

-
- No matters of non-compliance with laws and regulations and fraud were identified by the engagement team or communicated to the engagement team.
 - The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through an assessment of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the company operates;
 - Understanding of relevant legal and regulatory frameworks including United Kingdom Accounting Standards, including those related to the reporting frameworks including FRS 101 'Reduced Disclosure Framework', the relevant tax legislation, and Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read "S. Cardoso", followed by the text "UK LLP" in a smaller, sans-serif font.

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
27 March 2024

Wilmington Shared Services Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Note	2023 £	2022 £
Administrative expenses		(1,105,677)	(682,044)
Other operating income		—	2,121,201
Operating (loss)/profit		<u>(1,105,677)</u>	<u>1,439,157</u>
Adjusting items	2	(5,345,082)	(6,749,151)
Finance costs		(203,029)	(239,273)
Notional interest on lease liabilities	2	<u>(4,282)</u>	<u>(2,305)</u>
LOSS BEFORE TAXATION	2	(6,658,070)	(5,551,572)
Tax on loss	5	<u>(49,192)</u>	<u>(519,136)</u>
LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		<u><u>(6,707,262)</u></u>	<u><u>(6,070,708)</u></u>

The operating loss for the year arises from the Company's continuing operations.

The Company has no other comprehensive expense other than those included in the results above.

Wilmington Shared Services Limited

BALANCE SHEET

as at 30 June 2023

Company Registration No. 08314442

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	6	1,036,864	2,013,627
Deferred tax asset	8	94,065	94,065
Tangible assets	7	<u>1,014,849</u>	<u>1,587,301</u>
		2,145,778	3,694,993
CURRENT ASSETS			
Debtors	9	20,891,416	19,113,015
Cash at bank and in hand		<u>10,717,174</u>	<u>833,033</u>
		31,608,590	19,946,048
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	10	(51,151,789)	(34,028,482)
Provisions	11	(307,000)	(307,000)
Lease liabilities	12	<u>(53,282)</u>	<u>(5,491)</u>
		(51,512,071)	(34,340,973)
NET CURRENT LIABILITIES		<u>(19,903,481)</u>	<u>(14,394,925)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(17,757,703)</u>	<u>(10,699,932)</u>
NON-CURRENT LIABILITIES			
Provisions	11	(921,000)	(1,228,000)
Lease liabilities	12	<u>(116,262)</u>	<u>(159,771)</u>
		(1,387,771)	
NET LIABILITIES		<u>(18,794,965)</u>	<u>(12,087,703)</u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Accumulated losses		<u>(18,794,967)</u>	<u>(12,087,705)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(18,794,965)</u>	<u>(12,087,703)</u>

The notes on pages 12 to 19 form an integral part of these financial statements.

The financial statements and related notes on pages 9 to 19 were approved by the board of directors and authorised for issue on 27 March 2024 and are signed on its behalf by

Guy Millward

G Millward
Director

Wilmington Shared Services Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

Company Registration No. 08314442

	Called up share capital £	Accumulated losses £	Total shareholders' deficit £
At 30 June 2021	2	(6,016,997)	(6,016,995)
Loss and total comprehensive expense for the financial year	—	(6,070,708)	(6,070,708)
At 30 June 2022	2	(12,087,705)	(12,087,703)
Loss and total comprehensive expense for the financial year	—	(6,707,262)	(6,707,262)
At 30 June 2023	2	(18,794,967)	(18,794,965)

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

GENERAL INFORMATION

Wilmington Shared Services Limited ('the Company') provides central back office services to the Wilmington plc group. The Company is a private company and is incorporated and domiciled in the UK. The address of the registered office is 5th Floor 10 Whitechapel High Street, London, E1 8QS.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company is an indirect wholly owned subsidiary of Wilmington plc and is included in the consolidated financial statements of Wilmington plc, which are publicly available.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Disclosures in respect of capital management;
- Comparative period reconciliations for share capital, tangible assets and intangible assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of compensation of key management personnel and transactions entered into between two or more wholly-owned members of a group.

As the consolidated financial statements of Wilmington plc include the equivalent disclosures, the Company has also taken the exemptions FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and IFRS 7 Financial Instruments.

GOING CONCERN

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

The Company has a cash in hand balance of £10,717,174. Although the Company is in a net liabilities position the ultimate parent company, Wilmington plc, has stated its intention to provide financial support as necessary. The Company owes £45,332,315 (2022: £30,826,944) to other entities in the group. There is no current intention to recall the amounts due within 12 months from the date of signing the financial statements.

For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

ADJUSTING ITEMS

The Company's statement of comprehensive income separately identifies adjusting items. Such items are those that in the directors' judgment are one-off in nature and need to be disclosed separately by virtue of their size and incidence. In determining whether an item or transaction should be classified as an adjusting item, the directors consider quantitative as well as qualitative factors such as the frequency, predictability of occurrence and significance.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

Intangible assets are stated at historical cost less accumulated amortisation. Intangible amortisation is included within administrative expenses.

Computer software that is integral to a related item of hardware is classified as property, plant and equipment. All other computer software and also the cost of internally developed software and databases are classified as intangible assets. Computer software licences purchased from third parties are initially recorded at cost. Costs associated with the production of internally developed software are capitalised once it is probable that they will generate future economic benefits and satisfy the other criteria set out in IAS 38. Computer software intangible assets (including the cost of internally developed software and databases) are amortised through the statement of comprehensive income on a straight line basis over their estimated useful lives not exceeding three years. Assets that are not in use at the reporting date (assets under construction) are recognised at cost and amortisation commences when those assets begin to generate economic benefit.

Computer software development costs recognised as assets are amortised over their estimated useful lives as follows:

Computer software	straight line over 2 – 3 years
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TANGIBLE FIXED ASSETS

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided so as to write off the cost of a tangible asset, less its estimated residual value, over its useful economic life, as follows:

Leasehold property and improvements	over the lease term
Computer hardware	straight line over 3 years
Fixtures, fittings and office equipment	straight line over 3-10 years

TAXATION

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is discounted to reflect the time value of money, using a discount rate based on the post tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates. None of the deferred tax balance relates to unprovided deferred tax.

Current tax for the current and prior years is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

PENSIONS

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund. Contributions are charged to the statement of comprehensive income in the period in which they are incurred.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER OPERATING INCOME

Other operating income consists of recharge income for services provided to other group subsidiaries in the UK.

TRADE AND OTHER DEBTORS

Trade debtors are initially recognised at the transaction price, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant), less provisions made for doubtful debts using the expected credit losses model. Provisions are made where there is evidence of a risk of non-payment taking into account ageing, previous losses experienced and general economic conditions. For trade debtors, the Company applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the debtor.

AMOUNTS OWED TO GROUP UNDERTAKINGS

Amounts owed to group undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method. Amounts owed to group undertakings are classified according to the intention of repayment of the loans.

TRADE AND OTHER CREDITORS

Trade and other creditors are initially recognised at fair value, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant).

AMOUNTS OWED BY GROUP UNDERTAKINGS

Amounts owed by group undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment. The Company recognises expected credit losses using a lifetime expected loss allowance unless the asset is considered to have a low credit risk, in which case the loss allowance recognised is limited to 12 months' expected losses. Amounts owed by group undertakings are classified according to the intention of repayment of the loans.

PROVISIONS

Provisions are recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle it. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate discount rate.

LEASES

The Company recognises a right-of-use asset and corresponding liability at the date the leased asset is made available for use by the Company.

The liability is measured at the present value of future lease payments over the lease term including fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. The liability includes any payments to be made under extension options which are reasonably certain to be exercised. The lease payments are discounted using the interest rate implicit in the lease, where this rate cannot be determined an incremental borrowing rate is used. The incremental borrowing rate is determined with reference to the rate that the lessee would pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, with similar terms and conditions, adjusted for the country-specific risk of the lessee. The Company records an interest charge in respect of the lease liability over the lease term.

The right-of use asset is measured at cost, based on the value of the initial measurement of the associated lease liability, adjusted for any lease payments already made less any lease incentives received, initial direct costs incurred, and any dilapidation or restoration costs required by the terms and conditions of the lease. The right-of-use asset is depreciated over the term of the lease on a straight line basis, or if shorter, over the leased asset's useful economic life.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (CONTINUED)

When an adjustment to lease payments based on an index or rate takes effect, the liability is re-measured with a corresponding adjustment to the associated right-of-use asset.

The Company recognises an expense in the consolidated income statement in respect of short term leases (being those with an initial term of twelve months or less) and leases of low-value items on a straight line basis over the life of the lease.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no critical accounting judgments or significant estimation uncertainties contained in the financial statements.

IMPACT OF ADOPTION OF NEW ACCOUNTING STANDARDS

There has been no material impact on the financial statements from the adoption of new standards or amendments in the year ended 30 June 2023.

2	LOSS BEFORE TAXATION	2023	2022
		£	£
	Loss before taxation is stated after charging/(crediting):		
	Depreciation of owned tangible assets	802,365	806,877
	Amortisation of owned intangible assets	1,387,984	3,094,556
	Notional interest on lease liabilities	4,282	2,305
	Foreign exchange loss/(gain)	325,078	(1,183,090)
	Adjusting items	5,345,082	6,749,151
	Finance costs	203,029	239,273
	Auditors' remuneration: statutory audit	7,324	6,043
	Non-audit services: taxation compliance	<u>3,000</u>	<u>1,000</u>

The adjusting items relates to the waiving of 0% interest intercompany loans with fellow group companies which were liquidated in the year of £5,224,290 and exceptional acquisition costs of £120,792.

3 DIRECTORS' EMOLUMENTS

Two (2022: two) of the Company's directors are remunerated by Wilmington plc; their emoluments are disclosed in the financial statements of the relevant companies. No director received compensation for loss of office during the year from the Company (2022: £nil).

No (2022: no) directors are remunerated through Wilmington Shared Services Limited.

Two directors (2022: two) are entitled to shares under a long term incentive plan. No director (2022: none) is accruing benefits under money purchase pension schemes during the year.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

4 STAFF COSTS

	2023	2022
	£	£
Wages and salaries*	8,470,296	8,280,457
Social security costs	927,858	894,103
Other pension costs	292,404	284,549
	<u>9,690,558</u>	<u>9,459,109</u>

*Included in wages and salaries are redundancy costs of £519,358 in the year (2022: £378,643)

	2023	2022
	Number	Number
Monthly average number of employees during the year, including directors		
Administration	<u>189</u>	<u>181</u>

5 TAX ON LOSS

	2023	2022
	£	£
Current taxation:		
UK corporation tax on losses of the year	(274,282)	298,829
Group relief	274,282	—
Adjustments in respect of prior years	49,192	220,307
Tax on loss	<u>49,192</u>	<u>519,136</u>

Adjustments in respect of prior years relate to the application of group relief.

Factors affecting the tax charge for the year:

The tax assessed for the year is higher (2022: higher) than the average rate of corporation tax in the UK of 20.50% (2022: 19.00%).

	2023	2022
	£	£
Loss before taxation	<u>(6,658,070)</u>	<u>(5,551,572)</u>
Loss before taxation multiplied by the average rate of UK corporation tax of 20.50% (2022: 19.00%)	(1,364,904)	(1,054,799)
Effects of:		
Adjustments in respect of prior years	49,192	220,307
Group relief	274,282	—
Adjusting items not subject to tax	1,070,979	1,282,339
Add back depreciation	—	153,307
Deduct capital allowances	—	(97,206)
Other	19,643	15,188
Total tax charge for the year	<u>49,192</u>	<u>519,136</u>

Factors affecting current and future tax charges:

The main rate of corporation tax increased from 19% to 25% effective from 1 April 2023 following substantive enactment of the Finance Bill 2021 on 24 May 2021, giving a blended rate for the year ended 30 June 2023 of 20.50%.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

6 INTANGIBLE ASSETS

	Computer software £
COST	
At 1 July 2022	3,219,746
Additions	586,933
Disposals	(530,700)
At 30 June 2023	<u>3,275,979</u>
ACCUMULATED AMORTISATION	
At 1 July 2022	1,206,119
Charge for year	1,387,984
Disposals	(354,988)
At 30 June 2023	<u>2,239,115</u>
NET BOOK VALUE	
At 30 June 2022	<u>2,013,627</u>
At 30 June 2023	<u>1,036,864</u>

7 TANGIBLE ASSETS

	Leasehold property and improvements	Computer hardware	Fixtures, fittings and office equipment	Right of use assets	Total
	£	£	£	£	£
COST					
At 1 July 2022	2,428,708	1,951,154	941,112	260,376	5,581,350
Additions	32,063	196,823	4,561	—	233,447
Disposals	(24,046)	(1,312,935)	(273,325)	—	(1,610,306)
At 30 June 2023	<u>2,436,725</u>	<u>835,042</u>	<u>672,348</u>	<u>260,376</u>	<u>4,204,491</u>
ACCUMULATED DEPRECIATION					
At 1 July 2022	1,706,614	1,548,339	718,978	20,118	3,994,049
Charged in the year	346,972	304,426	98,892	52,075	802,365
Disposals	(24,046)	(1,312,930)	(269,796)	—	(1,606,772)
At 30 June 2023	<u>2,029,540</u>	<u>539,835</u>	<u>548,074</u>	<u>72,193</u>	<u>3,189,642</u>
NET BOOK VALUE					
At 30 June 2022	<u>722,094</u>	<u>402,815</u>	<u>222,134</u>	<u>240,258</u>	<u>1,587,301</u>
At 30 June 2023	<u>407,185</u>	<u>295,207</u>	<u>124,274</u>	<u>188,183</u>	<u>1,014,849</u>

8 DEFERRED TAX ASSET

	2023 £	2022 £
At 1 July and 30 June	<u>94,065</u>	<u>94,065</u>

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

9 DEBTORS

	2023	2022
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	2,880,312	1,748,382
Trade debtors	16,233,634	16,011,629
Prepayments and accrued income	1,458,424	1,176,314
Corporation tax	171,899	99,499
Other debtors	147,147	77,191
	<u>20,891,416</u>	<u>19,113,015</u>

During the year the Company collected amounts on behalf of other group companies to which it provides services, the trade debtor balance includes these balances. Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

The reduction in amounts owed from group undertakings relate to the waiving of 0% interest intercompany loans with fellow group companies which were liquidated in the year.

10 CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	45,332,315	30,826,944
Other taxation and social security	2,125,541	812,876
Trade creditors	1,166,323	603,453
Accruals and deferred income	2,476,125	1,785,209
Other creditors	51,485	—
	<u>51,151,789</u>	<u>34,028,482</u>

The trade creditors balance includes amounts to be settled by the Company on behalf of other group companies to which it provides services. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11 PROVISIONS

Property		£
At 1 July 2022		1,535,000
Utilised in the year		(307,000)
At 30 June 2023		<u>1,228,000</u>
	2023	2022
	£	£
Included in current liabilities	307,000	307,000
Included in non-current liabilities	921,000	1,228,000
	<u>1,228,000</u>	<u>1,535,000</u>

The provision is in respect of anticipated costs expected to be incurred in relation to the closed proportion of the head office for the period from 1 July 2021 until the end of the contractual lease term. The provision is based on assumptions and estimates where the ultimate outcome may be different from the amount provided. The provision reflects the Company's best estimate of the probable exposure as at 30 June 2023. This assessment has been made having considered the sensitivity of the provision for possible changes in key assumptions.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

12 LEASE LIABILITIES

	£
At 1 July 2022	165,262
Notional interest on lease liabilities	4,282
At 30 June 2023	<u>169,544</u>

	2023 £	2022 £
Not later than one year	53,282	5,491
Later than one year and not later than five years	<u>116,262</u>	<u>159,771</u>
	<u>169,544</u>	<u>165,262</u>

13 CALLED UP SHARE CAPITAL	2023 Number	2022 Number	2023 £	2022 £
Allotted, issued and fully paid: Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

14 CONTINGENT LIABILITIES

The Company has entered into a guarantee in respect of the ultimate parent company's committed revolving credit facility of £20,000,000. The initial agreement expired July 2020 which was then extended to July 2024. This guarantee is considered to be an inter group insurance arrangement and in accordance with IFRS 4 is accounted for as a contingent liability. At 30 June 2023, the Company had a contingent liability of £nil (2022: £nil) in respect of drawdowns from this facility. Due to the group's growing net cash position Management have decided to cancel the revolving credit facility in August 2023. Details of the financing facility can be found in the financial statements of Wilmington plc, the ultimate parent company.

15 ULTIMATE PARENT UNDERTAKING

The Company is controlled by Wilmington Holdings No.1 Limited, its immediate parent.

The ultimate parent company, and the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared, is Wilmington plc, which is incorporated in the UK and for which financial statements are available from 5th Floor 10 Whitechapel High Street, London, E1 8QS.